abs

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 3080 OF 2007

Office Notes, Office Memoranda of : coram, appearances, Court's Orders: or directions and Registrar Orders:	Court's or Judge's orders

Mr.Umesh R. Mankapure for the petitioner.

CORAM : S.B. MHASE &
D.G. KARNIK, JJ.

DATE : 29TH OCTOBER 2007

P.C. :

1. Heard learned counsel for the petitioner.

2. By this petition, the petitioner seeks to challenge the order dated 27th October 2006 passed by the Reserve Bank of India under section 35-A of the Banking Regulation Act, 1949 imposing partial moratorium on the petitioner bank.

3. In paragraph 3 of the petition, the petitioner has stated that the non-performing assets as on September 2005 were 39.8%. In pargraph 8 of the petition, it is stated that the

non-performing assets as on 31st March 2006 were 64.07%. Thus, the non-performing assets have increased to merely 64% and only 36% were the performing assets as on 31st March 2006. Nothing is brought on record to show the present state of affairs. In the circumstances, we do not see any error in the order of moratorium issued by the Reserve Bank of India.

4. The Reserve Bank of India has an authority under the Banking Regulation Act to impose the moratorium and/or to look after the financial health of banks. The decision of the Reserve Bank of India is on its expertise in financial and monetary matters and the decision is not in any way perverse.

5. In the circumstances, the writ petition is rejected summarily.

(D.G. KARNIK, J.) (S.B. MHASE, J.)